



Customer Perspective on Biosimilars

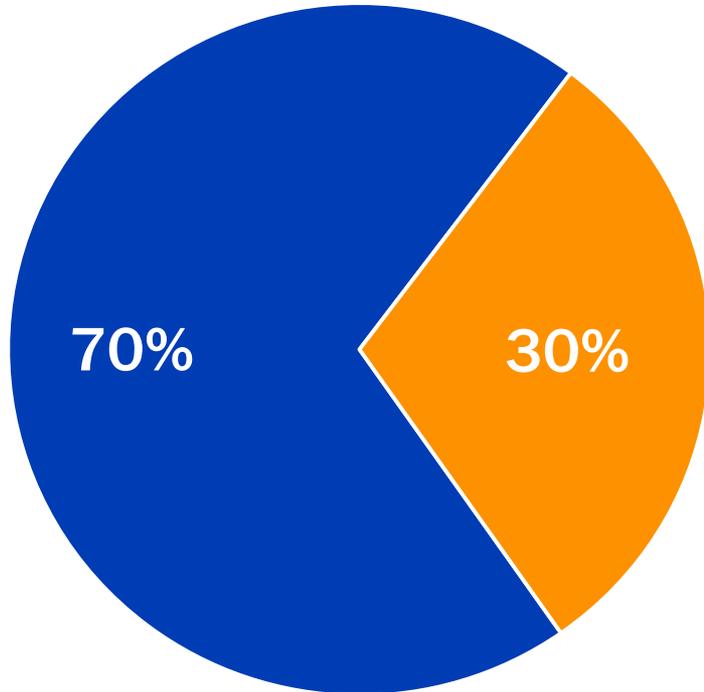
Steve Miller, MD, MBA
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Express Scripts

February 4, 2014

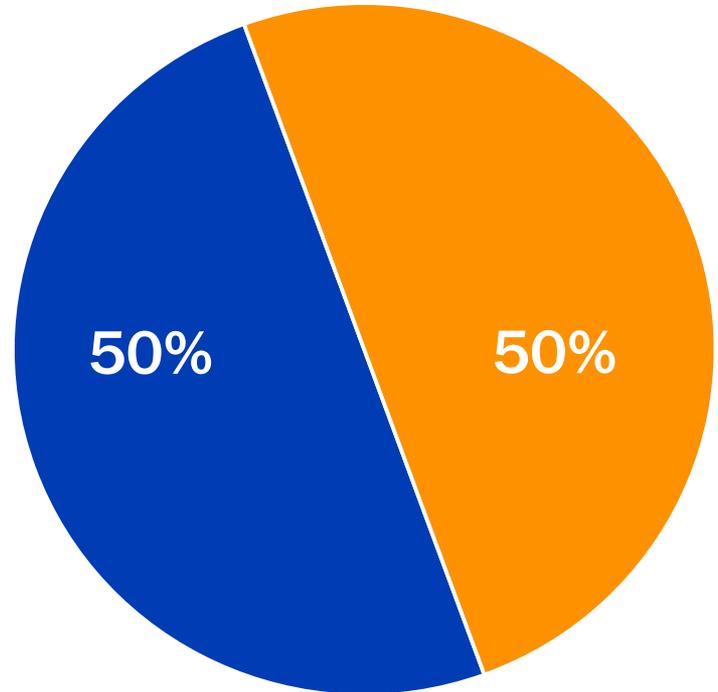


Specialty Spending Growth Continues

Now

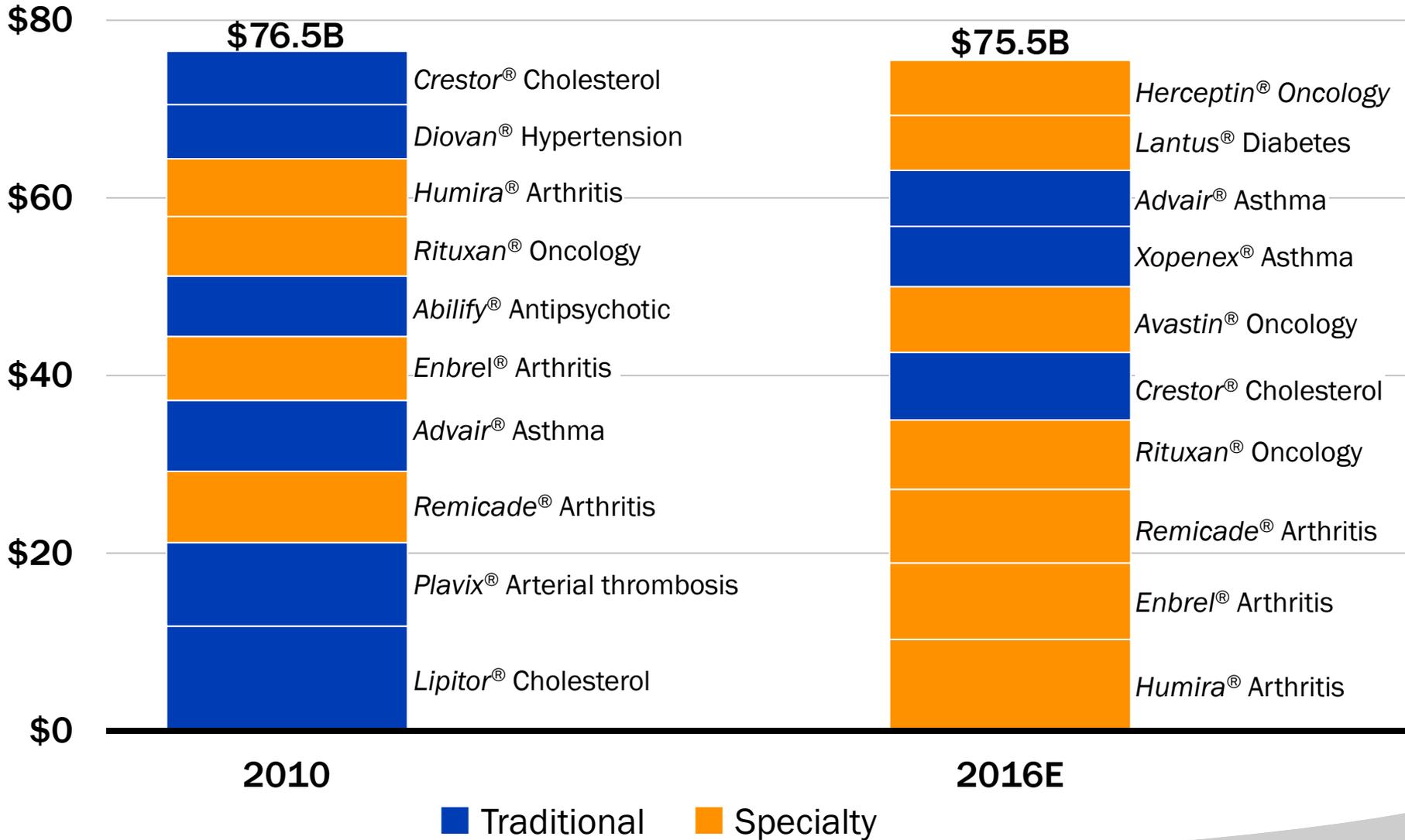


In 5 Years

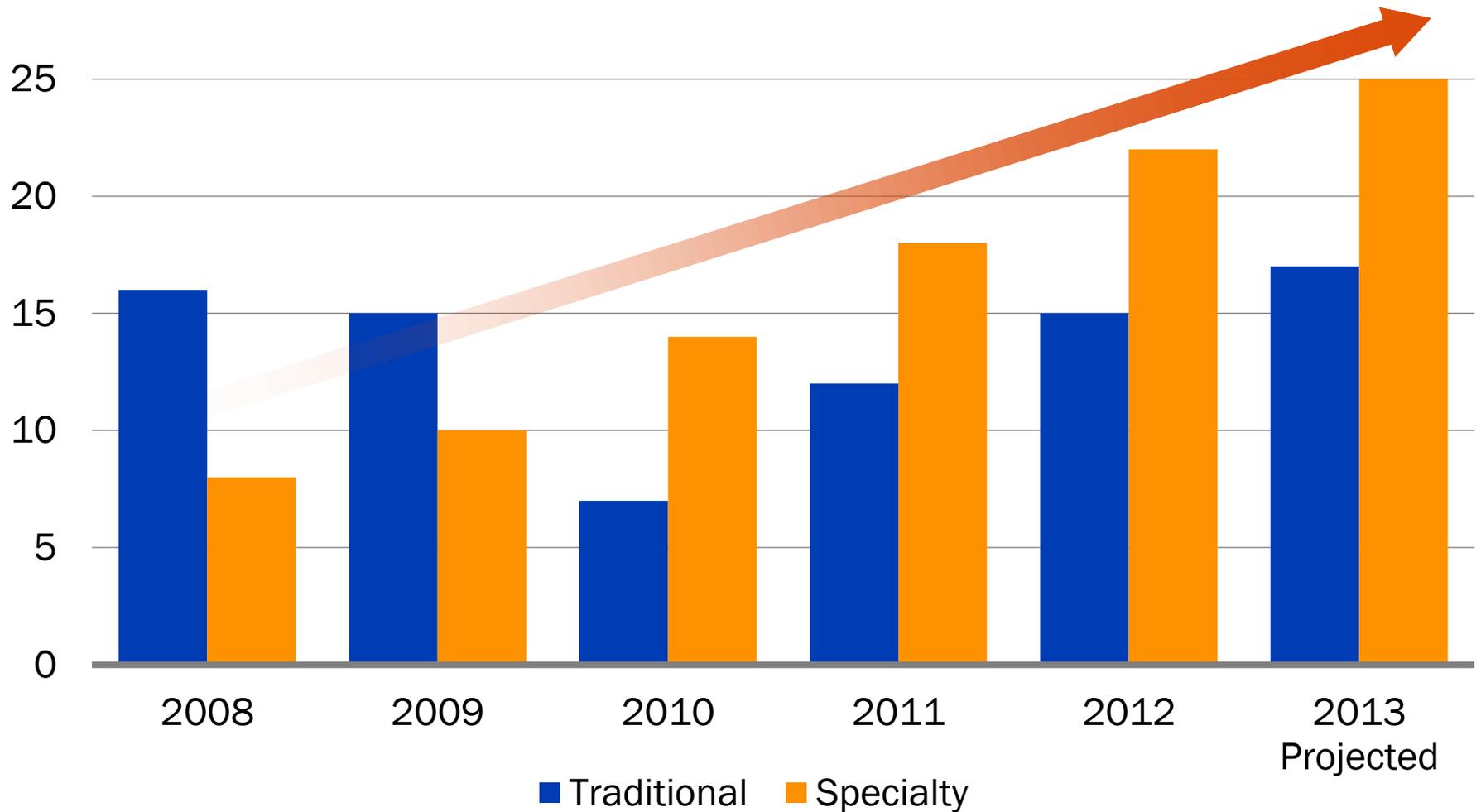


■ Traditional ■ Specialty

Top 10 Worldwide Drug Sales



FDA New Drug Approvals



Inflammatory Conditions

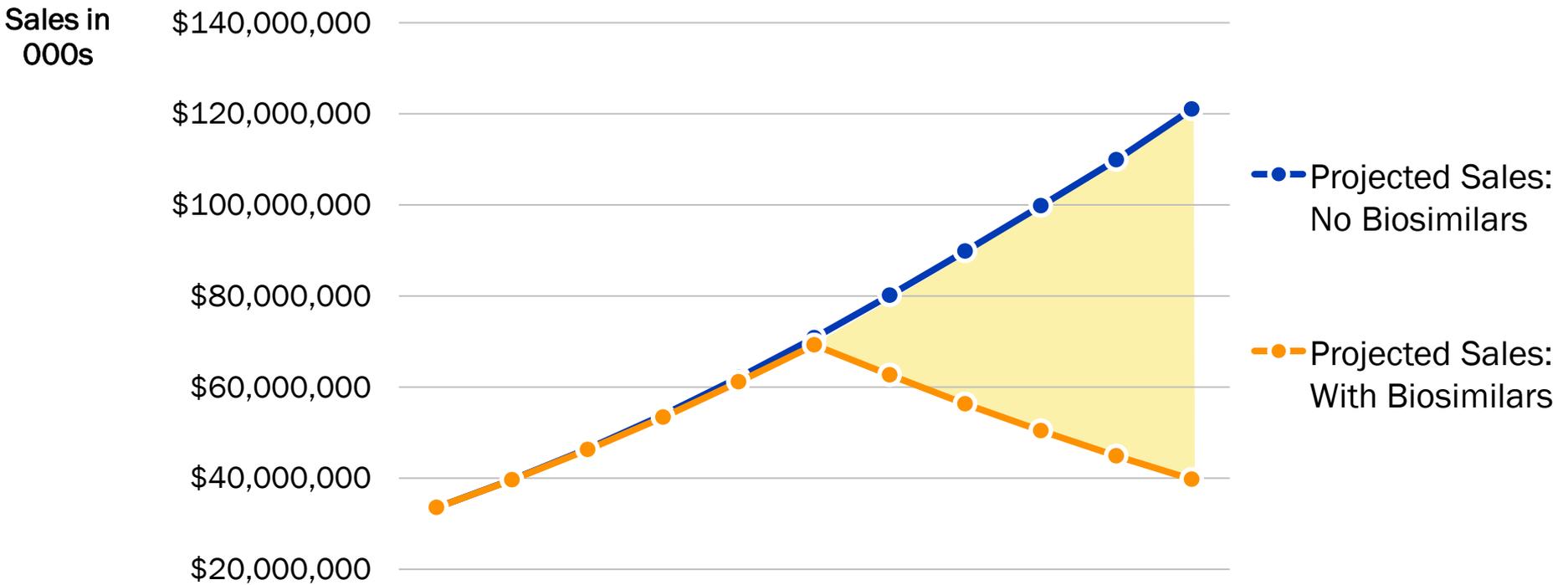


Biosimilar Savings Potential: Our Assumptions



- Introduced in 2015
- 30% Discount
- Slowing Specialty Inflation
- Modest Switching and No Interchangeability Until 2020

Biosimilar Savings Potential: The Results



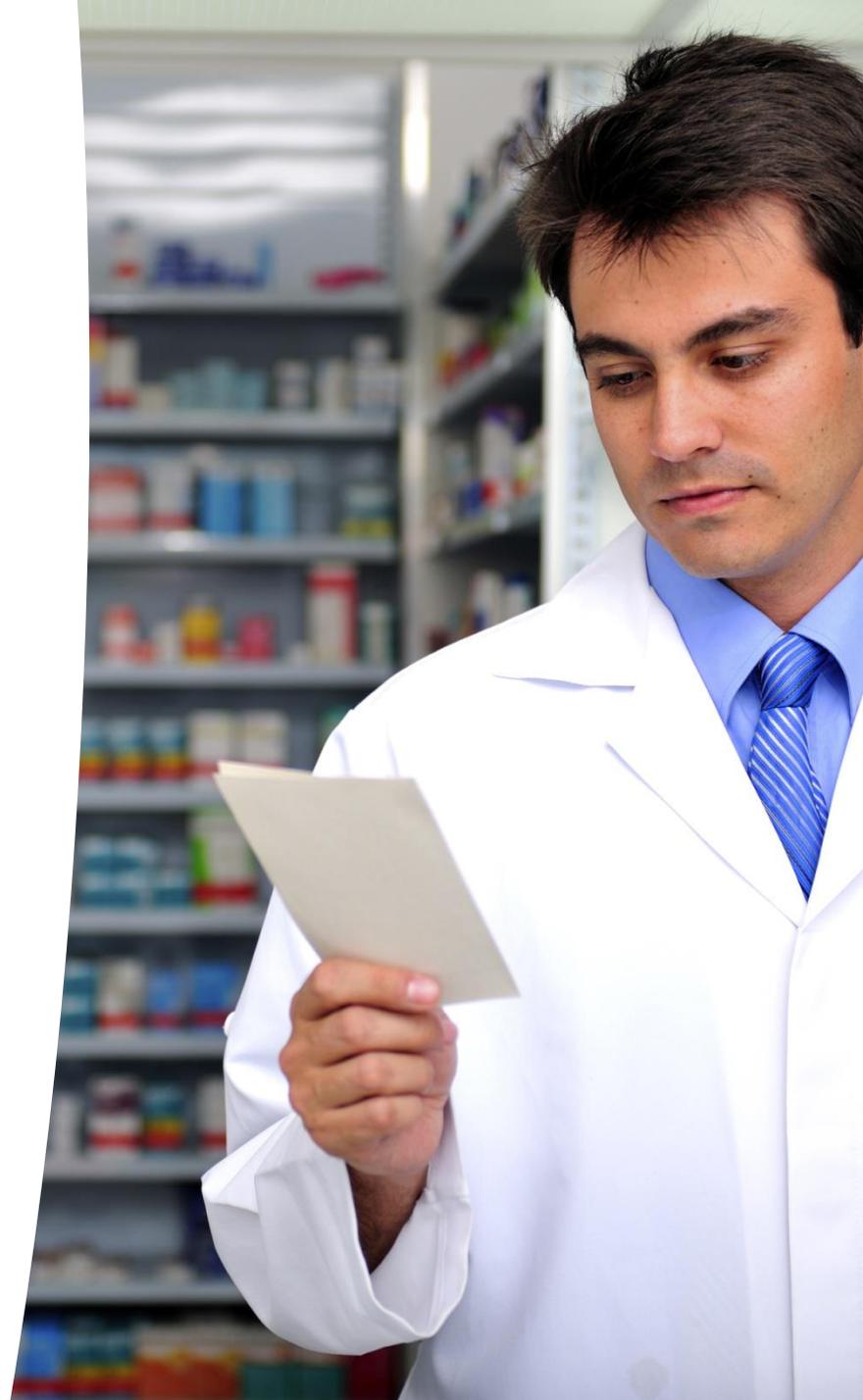
\$250 Billion Through 2024

Concerns

- Nomenclature
- State Substitution Laws

Solving for a system that tracks pharmaceuticals so pharmacies, providers and patients know the products they are taking.

**Improves Access
Creates Savings**



The Entire Marketplace Solution



- **The National Council on Prescription Drug Programs**
 - A multi-stakeholder forum for developing ANSI-accredited standards for electronic exchange of healthcare information
- Current (D.O.) telecommunication standards include the following required fields for each claim:

- | | |
|-----------------------------------|-----------------------------------|
| ✓ BIN Number | ✓ Software Vendor/Cert ID |
| ✓ Version/Release Number | ✓ Cardholder ID |
| ✓ Transaction Code | ✓ Group ID |
| ✓ Processor Control Number | ✓ Prescription Reference # |
| ✓ Transaction Count | ✓ NDC |
| ✓ Service Provider ID | ✓ Prescriber ID |
| ✓ Date of Service | ✓ <i>(not a complete list)</i> |

Pharmacy Systems in Practice



Source: Network claims across the Express Scripts enterprise, July 1–5, 2013

Pharmacy Systems in Practice



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Key Takeaways

1

Payers and plan sponsors are very concerned about rising & unsustainable Specialty Rx cost

2

The high price of Specialty drugs is a barrier to patient access

3

A successful biosimilars pathway requires broad stakeholder cooperation

4

PBMs will play a crucial role in biosimilars uptake and surveillance

